



AEP¹ Response to ERGEG Consultation on Fundamental Data Transparency

General

The Association of Electricity Producers (AEP) recognises that transparency has an important role to play in promoting competition and increasing trust in European energy markets. The issues have been extensively discussed over the last few years and AEP largely supports the framework proposed by ERGEG.

We have some concerns about a small number of detailed proposals as outlined in our comments below. In particular:

- There should be no requirement to publish outage duration immediately after an unplanned outage;
- Data should be published in line with the market time unit rather than (say) every fifteen minutes;
- A 100 MW threshold should be used throughout the Guideline; smaller generators should not have to provide output or other data, as costs would be disproportionate to the benefits.

ANSWERS TO SPECIFIC QUESTIONS

GENERAL ISSUES

1. Are there additional major problems or policy issues that should be addressed by the draft Comitology Guideline on Fundamental Electricity Data Transparency?

No. ERGEG has rightly opted for a comprehensive approach to data disclosure. However, more emphasis could have been placed on data quality and reliability, which is equally important to market players.

¹The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.

2. What timescale is needed to implement the Comitology Guideline on Fundamental Electricity Data Transparency seen from your organisation's point of view?

The Guideline's requirements will have to be incorporated into national codes, communication arrangements will have to be finalised and, in some Member States, new IT systems may need to be procured and commissioned. In this light, we would suggest a maximum two-year period for implementation. This would avoid the need for a transitional arrangement on vertical load (para 4.1.2).

3. Do you see a need for more firm specification of the role of each market participant in delivering transparency data to the TSO/information platform in the Comitology Guideline on Fundamental Electricity Data Transparency?

We think that the drafting of the advice could be improved in some places. It should be absolutely clear what data market participants will provide and whether that data will be published in aggregated or disaggregated form.

From a generator's perspective, it is important that information only has to be submitted once. AEP believes that the Guideline should not prescribe which organisation delivers data to ENTSO-E and should allow national or regional platforms to perform this function. The generator's responsibility should therefore be to provide the requisite data to the relevant organisation rather than necessarily to ENTSO-E directly. Market players, including generators, should be fully involved in the development of the central platform to ensure that it meets market needs.

4. Do you see a need for more firm specification of the role of the TSO in collecting data in the Comitology Guideline on Fundamental Electricity Data Transparency?

AEP welcomes the establishment of an EU platform. However, we would not advocate that TSOs should have a monopoly on the collection and publication of information. This would be a barrier to further innovation.

5. Taking into account the interface between wider transparency requirements and the costs of data storage, do you consider storage of basic data for 3 years, to be made available for free, as sufficient?

Yes.

6. Are the suggested market time units for information reporting and publication requirements adequate and compatible with wider transparency in a European perspective?

AEP agrees that the market time unit should be one hour (or less if markets already operate on that basis). The Guideline as a whole should be based on market time units and should not include requirements to provide data on a 15-minute basis, e.g. paras 4.3.2.8 and 4.3.2.10.

7. How do you see the costs and benefits of the proposed transparency framework for fundamental data in electricity? If possible, please provide qualitative and/or quantitative evidence on the costs and benefits or ideas about those.

AEP believes that the benefits of the proposals will exceed the costs, provided that some detailed changes are made, as outlined in our comments.

LOAD ISSUES

8. Do you see a need for publication of load data linked to different timeframes or an update of load data linked to different timeframes than those suggested in the draft document?

AEP agrees with the proposals. Arrangements for generation and load should be symmetrical. We support a threshold of 100 MW for both generation and consumption units.

9. The draft document suggests that the information on unavailabilities of consumption units is disclosed in an anonymous manner identifying the bidding area, timeframes and unavailable load. Do you consider these pieces of information sufficient for the transparency needs of the internal wholesale electricity market or should also the name of the consumption unit be published?

AEP believes that the names of consumption units should be published. ERGEG should conduct a survey of practice throughout the EU market and, unless there is convincing evidence of adverse effects on large consumers, should require the publication of site names.

It is unclear why unplanned generation outages have to be reported “immediately” (4.3.2.5) but not large consumer unit outages (4.1.3.8).

TRANSMISSION AND INTERCONNECTORS

10. Should the publication obligations regarding planned or actual outages of the transmission grid and interconnectors require the publication of the location and type of the asset (i.e. identify the part of transmission infrastructure that due to planned outage or a failure is facing a limitation in its transmission capacity) or should the information on transmission infrastructure equipment outage be non-identifiable? Please justify your position why either identified information would be necessary or why only anonymous information on the transmission infrastructure outages should be published.

In AEP’s view, the location of transmission outages should be identified. This may result in generators being constrained off the system and therefore has an impact on the market, so that market players should be notified.

11. The requirement to disclose outages in the transmission infrastructure is proposed to be placed on such events where the impact on capacity is equal to or greater than 100 MW during at least one market time unit. Do you consider this absolute, MW-based threshold appropriate, or should the threshold be in relation to e.g. the total generation or load of the bidding area, or alternatively, should the absolute threshold be complemented with a relative threshold? The relative threshold would mean, for example, that the publishing requirement would apply if a planned or actual outage of transmission infrastructure would equal to or be greater than 5 per cent (or any specified percentage value). This question on relative threshold stems from the fact that for some bidding areas the proposed 100 MW threshold may be relatively high. However, raising the general European threshold might in the majority of the European bidding areas lead to too low a threshold and a vast amount of information being reported.

AEP supports the 100 MW threshold, which has benefits in terms of clarity and simplicity.

12. With regard to publishing requirements on congestion (in paragraph 22 (d) and (e)), what kind of information do you consider important to receive and how frequently? Please justify your position.

We do not understand the reference to para 22(d) and (e) in this question.

AEP supports the requirement on TSOs to be transparent about ramping rates and intra-day limits. A full rationale should be provided for any such restrictions.

GENERATION

13. Should unavailability of generation infrastructure relate to a given plant or a given unit? Please justify your position.

AEP can support the publication of data by unit. However, we believe it important that ERGEG should obtain the views of the European and national competition authorities before finalising its advice. The provision of ex ante data of this type could be viewed as anti-competitive and we think it is important to clarify this issue before the final stages of production of the Guideline.

The 100 MW threshold for generation and load should be defined on a per-site basis. For instance, a site comprising two 50 MW generating (or indeed consumption) units should have to meet the disclosure requirements.

AEP agrees with the general proposal on outage disclosure set out in paras 4.3.2.4/5. However, we are opposed to the requirement that generators should immediately publish the likely duration of an outage. It will not generally be possible to specify the duration of an outage at the time when the trip occurs. Furthermore, the length of an outage will often be determined by factors other than the event which caused it. A requirement to publish outage duration immediately could lead to

unreliable information being released to the market, potentially resulting in legal uncertainty. AEP therefore proposes that this requirement should be omitted. Outage duration will in any case be disclosed to the market via the planned outage data once accurate estimates are available.

14. The draft document proposes that actual unit by unit output for units equal to or greater than 10 MW be updated real time as changes occur. Do you consider the 10 MW threshold for generation units appropriate?

AEP is opposed to the 10 MW threshold, which would impose considerable costs on smaller players, particularly in respect of metering, without providing major benefits. AEP therefore believes that the 100 MW threshold should be maintained here.

AEP also does not support the 15-minute timescale for actual unit output set out in para 4.3.2.8. Output should be published in line with the market time unit. This should also be the case for renewable generation (para 4.3.2.11)

15. The requirement to disclose hourly information on actual aggregated generation output is now related to generation type. Should this threshold be linked to fuel requirements or generation technology?

AEP does not have a strong view on this issue, but both fuel and generation type should be clearly defined.

BALANCING and WHOLESale DATA

16. The transparency requirements on balancing have been widened compared to the Transparency Reports prepared within the framework of the Electricity Regional Initiatives. Is the proposed list of data items sufficient - also taking into account the evolution towards cross-border balancing markets?

AEP broadly supports the proposals. However, Para 4.4.1.8 is incompatible with the current GB balancing arrangements, where prices are calculated every half-hour post-event. We suggest that transparency requirements should reflect the balancing arrangements and the market time unit in use in Member States.

It should be made clear that prices can be published in national currency.

17. The transparency requirements on wholesale market data have been deliberately left outside the draft Guidelines as they will most likely be addressed by other legal measures that are currently under preparation. Should some basic wholesale data, i.e. information on aggregate supply and demand curves, prices and volumes for each standard traded product and for each market timeframe (forward, day-ahead, intraday) as well as prices and volumes of the OTC market still be part of the Comitology Guideline on Fundamental Electricity Data Transparency?

AEP is content that these trade transparency issues should be dealt with elsewhere. Exchanges, multi-lateral trading facilities (MTFs) and brokers are likely to have the primary responsibility for reporting transactions on behalf of market players and a separate trade repository may well be set up to deal with this.

Association of Electricity Producers, 28th October 2010